KANSAS
DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

KANSAS
DEPARTMENT ON AGING

Kansas Long Term Care Annual Report

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Kansas Long Term Care

Executive Summary

Long term care is the services and supports individuals need when a chronic illness or disability reduces their ability to care for themselves. Today, long term care is among the costliest of service categories provided by Medicaid. As the nation's demographics change, the demand, and the corresponding cost, is going to continue to grow. Therefore, state programs need to focus on cost effectiveness and serving more people without a resultant escalation in spending.

Nationally, seniors and individuals with disabilities comprise approximately one quarter of Medicaid enrollees, yet account for nearly 70% of Medicaid expenditures. In 2006, 36% of the $304 billion national Medicaid expenditures were for long term care services.1

The State of Kansas provides Medicaid long term care services to targeted populations in both community and institutional settings. In the aggregate, community based services are more cost effective than institutional care.

In recent years, much emphasis has been placed on rebalancing the long term care system. The American Association of Retired Persons (AARP) ranked Kansas tenth in the nation for Medicaid long term care expenditures for home and community based services for older adults and individuals with physical disabilities in 2006.2

The State of Kansas operates long term care services through two cabinet level state departments (The Kansas Department of Social and Rehabilitation Services and the Kansas Department on Aging), which operate Medicaid Home and Community Based Service (HCBS) Waivers through a memorandum of understanding with the Kansas Health Policy Authority, the Medicaid Authority for the State of Kansas.

The population to be served often dictates the goals and outcomes of the program and services that are provided. These differing goals drive service design and delivery. The State of Kansas administers four HCBS Waiver programs which provide long term care services. Waiver programs for individuals with physical disabilities, developmental disabilities and traumatic brain injuries are managed by the SRS, while KDOA manages the frail elderly waiver. An overview of each waiver program, including institutional equivalent, eligibility, point of entry, services, average monthly persons served and expenditures is included in this report.

In recent years, the state has been the recipient of several federal grants aimed at long term care reform. In 2005 KDOA was awarded a three year grant from the Administration on Aging and CMS to advance the single point of entry concept through development of Aging and Disability Resource Centers (ADRC) in Kansas. The $2.2 million Real Choice Systems Transformation grant awarded to SRS in 2006 addresses needed system infrastructure changes, including an emphasis on self-direction opportunities across all HCBS services and gathering valid statistically accurate cost data on which to build reimbursement methodologies.

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[1] The Kaiser Foundation. *The Medicaid Program at a Glance.* http://www.kff.org/medicaid/upload/7235_03-2.pdf

[2] AARP. *Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Kansas and the US, 2006.* http://assets.aarp.org/rgcenter/il/2008_10_ltc_ks.pdf

The Centers for Medicare and Medicaid Services (CMS) awarded a five year "Money Follows the Person" demonstration grant to SRS in 2007. The purpose of the demonstration is to transition consumers out of institutions into the community, allowing their Medicaid funding to pay for community based services. Money Follows the Person is a five-year grant award which concludes in 2011. Kansas' goal is to transition 963 seniors and individuals with disabilities out of institutions into community based settings.

Implementation of the project began July 1, 2008 and the efforts have already begun to make an impact on the Kansas long term care system. The grant allows the state to provide incentives to facilities to transition from institutional based care to providing home and community based services for individuals with disabilities. As a part of this effort, the last private, large bed Intermediate Care Facility for Mental Retardation (ICF/MR) in Kansas closed its doors in August 2008 and 50 individuals successfully transitioned to community based services.

As Kansas continues efforts to strengthen its long term care system, both to provide the best possible services to older adults and individuals with disabilities and to administer services in the most efficient means possible, quality of life, independence and choice must remain our guiding principles. Continuing challenges to expanded community options include: institutional bias within the Medicaid program, stability in care and staff, lack of adequate program infrastructure and access to health care in the community environment.

Community Based Care

Home and Community Based Services (HCBS) Waivers.

Medicaid waivers are federally approved requests to waive certain specified Medicaid rules. For instance, federal Medicaid rules generally allow states to draw down federal Medicaid funds for services provided in institutions for persons with severe disabilities. Many of the community supports and services provided to persons with disabilities such as respite care, attendant care services, and oral health care are not covered by the regular federal Medicaid program. Home and Community Based Services (HCBS) waivers give the state approval to draw down federal Medicaid matching funds for community supports and services provided to persons who are eligible for institutional placement, but who choose to receive services that allow them to continue to live in the community. CMS requires that the cost of services paid through HCBS waivers be, on the average, less than or equal to the cost of serving people in comparable institutions.

SRS provides long term care through administration of HCBS waivers for individuals with physical disabilities, developmental disabilities, and traumatic brain injury. SRS also provides non-waiver community based services for persons with developmental disabilities. KDOA manages the HCBS frail elderly waiver.

The overview that follows provides information on each of the waiver services as well as developmental disability non-waiver services.

Waiver participation rates and expenditures

Updated 12-11-08

Long Term Care Services	DEVELOPMENTAL DISABLITY WAIVER	PHYSICAL DISABLITY WAIVER	TRAUMATIC BRAIN INJURY WAIVER	FRAIL ELDERLY WAIVER (operated by KS dept. on Aging)
Institutional Equivalent	Intermediate Care Facility for Persons with Mental Retardation	Nursing Facility	Head Injury Rehabilitation Facility	Nursing Facility
Eligibility	➢ Individuals age 5 and up ➢ Meet definition of mental retardation or developmental disability ➢ Eligible for ICF/MR level of care	➢ Individuals age 16-64* ➢ Determined disabled by SSA ➢ Need assistance with the activities of daily living. ➢ Eligible for nursing facility care **Those on the waiver at the time they turn 65 may choose to stay on the waiver*	➢ Individuals age 16-65 ➢ Have traumatic, non-degenerative brain injury resulting in residual deficits and disabilities ➢ Eligible for in-patient care in a Head Injury Rehabilitation Hospital	➢ Individuals age 65 or older ➢ Choose HCBS ➢ Functionally eligible for nursing care ➢ No waiver constraints
Point of Entry	Community Developmental Disability Organization	Case management Entities	Case management Entities	Case management Entities
Financial Eligibility Rules	➢ Only the individual's personal income & resources are considered ➢ For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee ➢ Income over $727 per month must be contributed towards the cost of care	➢ Only the individual's personal income & resources are considered ➢ For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee ➢ Income over $727 per month must be contributed towards the cost of care	➢ Only the individual's personal income & resources are considered ➢ For individuals under age 18, parent's income & resources are not counted, but are considered for the purpose of determining a family participation fee ➢ Income over $727 per month must be contributed towards the cost of care	➢ Only the individual's personal income & resources are considered ➢ Income over $727 per month must be contributed towards the cost of care

	DEVELOPMENTAL DISABLITY WAIVER	PHYSICAL DISABLITY WAIVER	TRAUMATIC BRAIN INJURY WAIVER	FRAIL ELDERLY WAIVER (operated by KS dept. on Aging)
Services/ Supports Additional regular Medicaid services are provided	➢ Assistive Services ➢ Day Services ➢ Medical Alert Rental ➢ Oral Health Services ➢ Sleep Cycle support ➢ Personal Assistant Services ➢ Residential Supports ➢ Supported Employment ➢ Supportive Home Care ➢ Temporary and Overnight Respite ➢ Wellness Monitoring ➢ Family/Individual Supports	➢ Personal Services ➢ Assistive Services ➢ Sleep Cycle Support ➢ Personal Emergency Response ➢ Personal Emergency Response Installation ➢ Oral Health	➢ Personal Services ➢ Assistive Services ➢ Rehabilitation Therapies ➢ Transitional Living Skills ➢ Sleep Cycle Support ➢ Personal Emergency Response ➢ Personal Emergency Response Installation ➢ Oral Health	➢ Adult Day Care ➢ Assistive Technology ➢ Attendant Care Services ➢ Medication Reminder ➢ Nursing Evaluation Visit ➢ Oral Health ➢ Personal Emergency Response ➢ Senior Companion ➢ Sleep Cycle Support ➢ Wellness monitoring
Average Monthly Number Persons Served FY 08	6,822	6,512	196	5,765
FY 08 Expenditures	$274,843,416	$109,353,112	$8,774,567	$65,780,222
Estimated Average **Waiver** expenditure Mo/year	$3,357 / $40,288	$1,399/ $16,793	$3,731 / $44,768	$ 950/ $11,410
Institutional Setting Cost Per Person per Year	Private ICF/MR $68,907 Public ICF/MR $151,332	Nursing Facility $32,236	Head Injury Rehab Facility $314,751	Nursing Facility $32,236

Nursing Facility Care

At the end of SFY 2008, 323 Medicaid certified nursing homes provided 24-hour skilled nursing care. The Medicaid rates are case mix adjusted based on the acuity level of Medicaid residents. Services were provided to an average of 10,581 Medicaid eligible residents each month during the year, a decrease of 0.7% from the previous year. Approximately 92% of all nursing facility residents were over age 65, and about 72% were female. The average age of female nursing home residents was 85, and the average age for male residents was 80. The combined average age was 83.

The total nursing home expenditure in SFY 2008 was $355.5 million ($143.4 million state funds) a 3.3% increase from the previous year. The budget is approximately 60% federally funded and 40% state funded.

Long term care initiatives

Aging and Disability Resource Center (ADRC)

The Aging and Disability Resource Center (ADRC) grants create streamlined access to program information, application processes and eligibility determination for all aging and disability services. In Kansas, the ADRC project is collaborating closely with the Real Choice Systems Transformation project as well as other projects that are focused on improving access to community services.

The Kansas ADRC has pilot sites in Wichita (Central Plains Area Agency on Aging and Independent Living Resource Center) and in Hays (Northwest Kansas Area Agency on Aging, Living Independently in Northwest Kansas, and Southeast Kansas Independent Living Resource Center). Staff members from the pilot site agencies are working with staff from KDOA, KHPA and SRS as well as community organizations, service providers and consumers to develop tools that will improve access to services. Work teams are developing a searchable online database of available resources; a referral and assessment process that will speed up referrals between partner agencies; and a web-based interface that will help streamline the Medicaid application process.

ADRC is funded by a combined grant from the Administration on Aging (AoA) and the Centers for Medicare and Medicaid Services (CMS). AoA provides 56% of the funding, CMS provides 39%, and the state provides 5%. In the 2007 grant year, AoA provided $146,125; CMS provided $103,875; and the state provided $13,158.

Hospital Discharge Model grant

In 2008, KDOA was awarded a grant from CMS to develop a Person-Centered Hospital Discharge Planning Model to develop hospital discharge models that put patients and caregivers at the center of the discharge planning process; focus on discharging patients home with community-based services; and reduce the number of default discharges to nursing facilities. KDOA will partner with state agencies, Area Agencies on Aging, Centers for Independent Living, local hospital networks and community organizations to

- create a program that elicits patients' input in the discharge planning process;

- develop a comprehensive assessment, information and education program to support caregivers;
- build a strong, collaborative discharge team to support patients' and caregivers' goals; and
- ensure that resources are available to meet patients' discharge goals.

The project will be piloted in three communities that represent the wide range of population demographics in Kansas. We anticipate that our proposed interventions will divert 35% of hospital discharges from nursing home placement to community-based care in our target communities, generating an estimated cost savings of $5.2 million.

Systems Transformation

CMS awarded a 5 year, $2.3 million Real Choice System Transformation grant to SRS in 2006. This project seeks to promote community living for Kansans of all ages with long-term support needs by continuing or building upon achievements from previous New Freedom grants awarded to Kansas. The primary goal of the project is to encourage community living options by enhancing consumer control and direction through a coordinated service delivery system.

Specific goals toward achieving this purpose are: enhancement of self-directed service delivery system, transformation of information technology to support systems change and creation of a system that more effectively manages the funding for long-term supports that promote community living options.

A steering committee comprised of consumers, advocates, service providers and state agency staff (SRS, KDOA and KHPA) oversees the work of the project, which is largely comprised of a series of studies designed to assist Kansas in planning for a more effective long term care system. These studies are focused upon:

- Identification of critical elements for individualized planning across long term care services
- Identification of critical elements for individualized budgeting and employer options
- The study and development of appropriate quality assurance systems/tools and data collection instruments across long-term care services
- Study of the Level Of Care documentation, tools, process to make a determination if the current tools utilized are effective in identifying needs of Kansans
- Extensive cost study of the long term care funding systems and payment methodologies

Money Follows the Person

The federally funded Money Follows the Person (MFP) demonstration grant is designed to enhance participating states' ability to increase the capacity of approved HCBS programs to serve individuals that are currently residing in institutional settings. The benefit for Kansas is enhanced federal funding to create additional community capacity, facilitate private ICFs/MR voluntary bed closure, train staff, and ensure individuals have the supports in their homes to be successful, reducing the risk of re-institutionalization.

Target populations for this grant include persons currently residing in nursing facilities and intermediate care facilities for the mentally retarded. Individuals must have resided in the facility for a minimum of six months and have been Medicaid eligible for a minimum of 30 days to be eligible to move into the community.

SRS and KDOA are working together with the LTC Ombudsman office to identify individuals that are currently residing in qualified institutional settings and assist them to move into home settings of their choice. SRS estimates that approximately 963 individuals will make this choice.

SRS, as the lead agency for the demonstration grant, has partnered with the Kansas Department on Aging to develop benchmarks and implementation strategy. Additionally, KHPA is an integral partner as the Single State Medicaid Agency (SSMA).

The required Operational Protocol (implementation strategy) was approved by CMS in April of 2008, and the transition planning process began immediately after receiving the approval. The first actual move dates were July 1, 2008. The individuals transitioning into the community are representing the mentally retarded/developmentally disabled (MR/DD), traumatic brain injury (TBI), physically disabled (PD) and elderly populations groups. Kansans who have chosen community living include 4 persons with physical disabilities, 1 person with a traumatic brain injury and 3 persons that are elderly. Additionally, Kansas has closed 78 private ICFs/MR beds through a voluntary closure process, as a direct result of the MFP demonstration grant project

The MFP movement report, which includes data on numbers of individuals transferred from institutions to community based care and the resultant cost savings to the state is attached as Appendix A. To date, no actual savings have been transferred to the Long Term Care fund.

Challenges to expanded community options

Developmentally Disabled Waiver Waiting List

The MR/DD waiver serves individuals with a developmental disability. At this time there are 1,609 people on the waiting list receiving no waiver services and another 864 people receiving some services who are waiting for additional services. Each year on the average, 208 people come off the waiver and these positions are filled by individuals in crisis situations. SRS maintains one statewide waiting list for HCBS-MR/DD services which includes both the unserved and the underserved. A person's position on the waiting list is determined by the request date for the service(s) for which the person is waiting. Each fiscal year, if funding is made available, people on the statewide waiting list are served, beginning with the oldest request dates at the top of the list. Currently, the persons at the top of the list have been waiting since June 27, 2005.

Physical Disability Waiver Waiting List

On December 1, 2008 SRS implemented a waiting list for the HCBS/PD Waiver. During FY 2008 the rate of growth in the waiver increased significantly. Due to this growth, the program will overspend the appropriated funding. The waiting list was implemented not to cut the budget, but to avoid further overspending. This will allow continuing service provision to the approximately 7,300 individuals currently receiving services. However, no new participants will be added to the HCBS/PD waiver unless they are found to be in crisis, or accessing services through the Money Follows the Person grant.

SRS will monitor the number of requests as well as the crisis situations, and will also work with the Kansas Department on Aging to monitor the number of nursing facility admissions in order to determine if the development of a waiting list increases the number of nursing facility admissions.

Different Funding Methods

The Medicaid system is inherently biased in favor of institutional care because such care is considered a federal entitlement. An individual who is financially eligible for Medicaid and functionally eligible for long term care will receive those services in an institution, unless the institutional requirement is waived. As a result of this bias, Kansas had adopted two distinct funding approaches for long term care.

For institutional services, the budgets for the respective state agencies are achieved through a consensus caseload process. On an annual basis, provider rates are established based on a complex system of reporting health care and operational costs. Inflationary costs of the providers are compensated based on a statutorily required rate setting methodology.

Home and community based services, however, are not considered federal entitlements and yearly funding of these services (provided through the various Medicaid waivers) is subject to recommendation of the Governor and appropriation by the legislature. There is no formal process to accomplish automatic caseload growth and systematic review of provider costs.

Access to Services

Consumer access to long term care services is impacted by the differences in the budget process. In order to provide a true alternative, HCBS services must be available twenty four hours a day in every part of the state. Growth in the community provider network is an essential component of rebalancing the long term care system. Additionally, home and community based services need to be seen by consumers and families as a viable, stable alternative to institutional care.

Limitations on Consumer choice

Individual choice is key to providing effective long term care services. When there are waiting lists for waivers, consumer choice is limited. Not only does the population of individuals receiving long term care services vary in age, disability and need, but also in spending and enrollment patterns and choice of care settings. There is no single model of service delivery that is appropriate to meet the needs of all individuals at all stages of their lives. Long term care policy must take into account individual need and choice to ensure a broad and effective continuum of service options is available; the right options at the right time.

As a person ages, whether the individual has a disability of not, their needs naturally change and the options that work best today may not be the options that best meet the individual's needs five years into the future.

The Kansas long term care system should ensure a broad array of services over the course of a lifetime, appropriate to the individual's age and lifestyle, with flexibility to change service options as needs and circumstances change.

Cost Effectiveness

In the aggregate, community based long term care services are more cost effective than institutional based care:

Cost Effectiveness of
Home and Community Based Services[1] (HCBS) vs. Institutional Care[2]

SFY08

	Institutional Setting	HCBS
Funding	$434,167,133 (49% of total)	$ 458,717,795 (51% of total)
Average Number Persons Served	11, 201 (37% of total)	19,295 (63% of total)
Average Cost Per Person	$38,761	$23,774

[1] HCBS costs and persons served include waiver services for developmental disability, physical disability, traumatic brain injury and frail elderly

[2] Institutional costs and persons served reflect services provided in head injury rehabilitation hospitals, Kansas Neurological Institute, Parsons State Hospital and Training Center, private Intermediate Care Facilities for Mental Retardation and nursing facilities.

Long Term Care Services

	FY 2008 Actual		FY 2009 GBR		FY 2010 GBR	
	SGF	AF	SGF	AF	SGF	AF
Institutions						
Nursing Facilities	$143,244,331	$355,567,298	$148,296,000	$370,000,000	$144,916,069	$365,113,329
Intermediate Care Facilities for Mental Retardation	$6,671,098	$16,529,934	$7,433,844	$18,547,517	$5,759,267	$14,510,625
Head Injury Rehabilitation Hospitals	$3,415,836	$8,498,292	$3,164,631	$7,895,784	$3,133,836	$7,895,784
Kansas Neurological Institute	$13,322,986	$28,445,708	$11,112,811	$28,736,873	$11,396,168	$28,385,028
Parsons State Hospital and Training Center	$10,218,511	$25,125,901	$10,614,646	$25,446,488	$10,424,288	$24,794,984
Subtotal Institutions	**$176,872,762**	**$434,167,133**	**$180,621,932**	**$450,626,662**	**$175,629,628**	**$440,699,750**
Waivers						
Physical Disability Waiver	$44,154,607	$109,353,112	$50,430,867	$125,825,519	$42,032,126	$104,870,576
Developmental Disability Waiver	$109,485,986	$274,809,894	$114,469,307	$289,843,578	$114,284,890	$287,943,789
Traumatic Brain Injury Waiver	$3,542,533	$8,774,567	$3,221,037	$8,036,517	$3,221,037	$8,115,485
Frail Elderly Waiver	$26,246,366	$65,780,222	$28,970,590	$72,281,911	$28,553,333	$71,940,874
Subtotal Waivers	**$183,429,492**	**$458,717,795**	**$197,091,801**	**$495,987,525**	**$188,091,386**	**$472,870,724**
Total Long Term Care Services	**$360,302,254**	**$892,884,928**	**$377,713,733**	**$946,614,187**	**$363,721,014**	**$913,570,474**